2 November 2016: The Autorité de la concurrence clears the acquisition of Aéroports de Lyon by Vinci Airports, subject to commitments

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On 6 September 2016, Vinci Airports, a subsidiary of the Vinci group, notified the Autorité de la concurrence of its acquisition of sole control of Aéroports de Lyon, the company that operates Lyon-Saint-Exupéry and Lyon-Bron airports.

Background

The acquisition is in connection with the privatisation of Lyon and Nice[1] airports, authorised under the Law of 6 August 2015 for Growth, Activity and Equal Economic Opportunities, known as the "Macron Law".

The French government initiated proceedings to transfer its 60% share in the capital of Aéroports de Lyon in a call for tender issued on 10 March 2016. Following a tendering procedure, the government selected the bid by the consortium made up of Vinci Airports, the French Deposit and Consignment Office (*Caisse des Dépôts et Consignations*) and Prédica Prévoyance Assurance. The local public shareholders (the Greater Lyon Chamber of Commerce and Industry [*CCI de Lyon Métropole*], the Greater Lyon authorities [*Métropole de Lyon*] and the Rhône *département*) retain 40% of the capital of Aéroports de Lyon.

Issues involved in the privatisation of the Aéroports de Lyon concession regarding current regulation of airport activities

In its **opinion 10-A-04 of 22 February 2010**, the *Autorité* gave its position on issues and risks arising from the privatisation of the capital of airport concession

companies, particularly for the benefit of a public works group[2]. In particular, it pointed out that vertical integration between an airport management company and a public works company was liable to increase the cost of works in the absence of a competitive bidding approach during calls for tender, and that any such rise in costs could ultimately be passed on to airport charges when costs came under review. In view of this analysis, particular attention should be paid to this point.

To avoid the risk of Aéroports de Lyon favouring Vinci group subsidiaries when awarding contracts, Vinci Airports has committed to greater transparency in contract award procedures.

Once the merger is completed, the management and operation of Aéroports de Lyon will be entrusted to Vinci Airports, a subsidiary of the Vinci public works and concessions group, which among other things responds to invitations to tender issued by airport companies. The *Autorité* thus identified the risk that Aéroports de Lyon - which will remain a contracting authority under public procurement rules - might be tempted to favour bids from Vinci group subsidiaries when awarding contracts for works, supplies and services.

The implementation of such a strategy could be particularly harmful to small and medium-sized enterprises, especially in the Rhône *département* and the Rhône-Alpes region, where a lot of suppliers of Aéroports de Lyon are currently located. This would undermine the intensity of competition during the concerned invitations to tender.

To avoid this risk, Vinci

- has committed to greater transparency in contract award procedures initiated by Aéroports de Lyon, by inviting a representative of the Lyon Métropole Chamber of Commerce and Industry (*CCI de Lyon Métropole*) and the French Directorate General for Competition Policy, Consumer Affairs and Fraud Control (*DGCCRF*) to attend its purchasing committee meetings;
- shall also meet procedural obligations aimed at ensuring a clear separation between members of the purchasing committee and other Vinci group

entities responding to invitations to tender or involved in competitive bidding;

- shall provide an independent agent, approved by the *Autorité*, with a list of invitations to tender issued and selected bidders. This procedure concerns all contracts for works, supplies and services worth more than 90,000 euros before tax, while contracts below this amount remain subject to advertising rules.

Vinci has made these commitments for the entire duration of the Lyon airport management and operating concession, in other words until 2047, thereby guaranteeing conditions for effective competition for the award of airport contracts.

[1] *Aéroports de Côte d'Azur was sold to the consortium formed by Atlantia and EDF. This acquisition was notified to the European Commission, which issued its clearance decision on 12 October 2016 (COMP/M.8155-Atlantia/EDF Invest/ACA).*

2 **See the press release**

> To consult the full text of decision 16-DCC-167 of 31 October 2016

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